Judy Martz, Governor

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September 23, 2004

Catherine Collins U. S. EPA Region VIII 8P2-A 999 18th Street STE Denver, CO 80202-2405

Dear Ms. Collins:

The Montana Department of Environmental Quality – Air Resources Management Bureau (Department) is providing comments to the Environmental Protection Agency (EPA) regarding the Final Report for the program review that was conducted for Montana's New Source Review (NSR) program. The Department appreciates the EPA's willingness to work with the Department during the program review to assess the NSR program's status. Although the Department and EPA agree on many aspects of the program review, the Department maintains a different position than EPA on several issues that are contained in the review. Specifically, the Department is providing additional comments on three issues: use of the term "equivalent technology" in Best Available Control Technology (BACT) determinations, baseline area application, and the de minimis rule.

In the Executive Summary and in the BACT Review/EPA Findings Section of the Final Report, EPA maintains that the use of the language "equivalent technology" must be specified as a specific alternative technology or removed from permits. The Department believes that the use of "equivalent technology" in permits is appropriate in some cases. The Department is not aware of any rules or regulations that would prohibit the use of such language in air quality permits, nor has EPA provided any legal citation. The Department believes that the use of this language, with the appropriate side-boards, continues to be appropriate in certain circumstances.

Although the Department and EPA acknowledge the same trigger dates for NSR sources, the Department and EPA have different interpretations of "baseline areas" for NSR sources. The Modeling Section, Increment Tracking Procedures Section, and the NAAQS/Increment Protection Section of the Final Report highlight the Department and EPA's disagreement. Instead of the "rest of state" designation that EPA asserts is correct, the Department follows its interpretation of the definition of "baseline area" found in the rules. The Department has consistently applied its interpretation of baseline areas within Montana and has received little comment from EPA.



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